

Exhibit B

NASD Notice to Members 07-07 - February 2007



SEC Approves Revision of Customer and Industry Portions of NASD Code of Arbitration Procedure; Effective Date: April 16, 2007

Executive Summary

The Securities and Exchange Commission (SEC) has approved the NASD Codes of Arbitration Procedure for Customer and Industry Disputes (hereinafter referred to as the Customer and Industry Codes, respectively, or new Codes).¹ The Customer and Industry Codes reorganize the dispute resolution rules into separate procedural codes, simplify the language of the NASD Code of Arbitration Procedure (old Code), codify current practices and implement several substantive changes.

The Customer and Industry Codes can be accessed on the NASD Web site at the following links: www.nasd.com/rulefilings/customercode and <http://www.nasd.com/rulefilings/industrycode>. The Customer and Industry Codes will become effective on April 16, 2007, and will apply to claims filed on or after the effective date.²

In addition, the list selection provisions of the new Codes will apply to previously filed claims in which a list of arbitrators has not yet been generated and sent to the parties, or in which an entirely new list of arbitrators must be generated.³ In these cases, even though a list has been generated under the new Customer or Industry Code, the claim will continue to be governed by the remaining provisions of the old Code unless all parties agree to proceed under the new Code.

Questions regarding this *Notice* may be directed to Jean Feeney, Vice President and Chief Counsel, NASD Dispute Resolution, at (202) 728-6959; or Mignon McLemore, Assistant Chief Counsel, NASD Dispute Resolution, at (202) 728-8151.

¹ Exchange Act Release No. 55158 (Jan. 24, 2007), 72 FR 4574 (Jan. 31, 2007) (Approval Order for File Nos. SR-NASD-2003-158 and SR-NASD-2004-011).

² Parties in cases filed before the effective date may stipulate in writing to adopt the Customer or Industry Code in its entirety (except for provisions that are moot as a result of the status of the case).

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